



Mid-Atlantic Solar & Storage Industries Association

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TABLE AND DIAGRAMS DESCRIBING MSSIA RECOMMENDED FUNDING MECHANISM ALTERNATIVES FOR SUCCESSOR PROGRAM

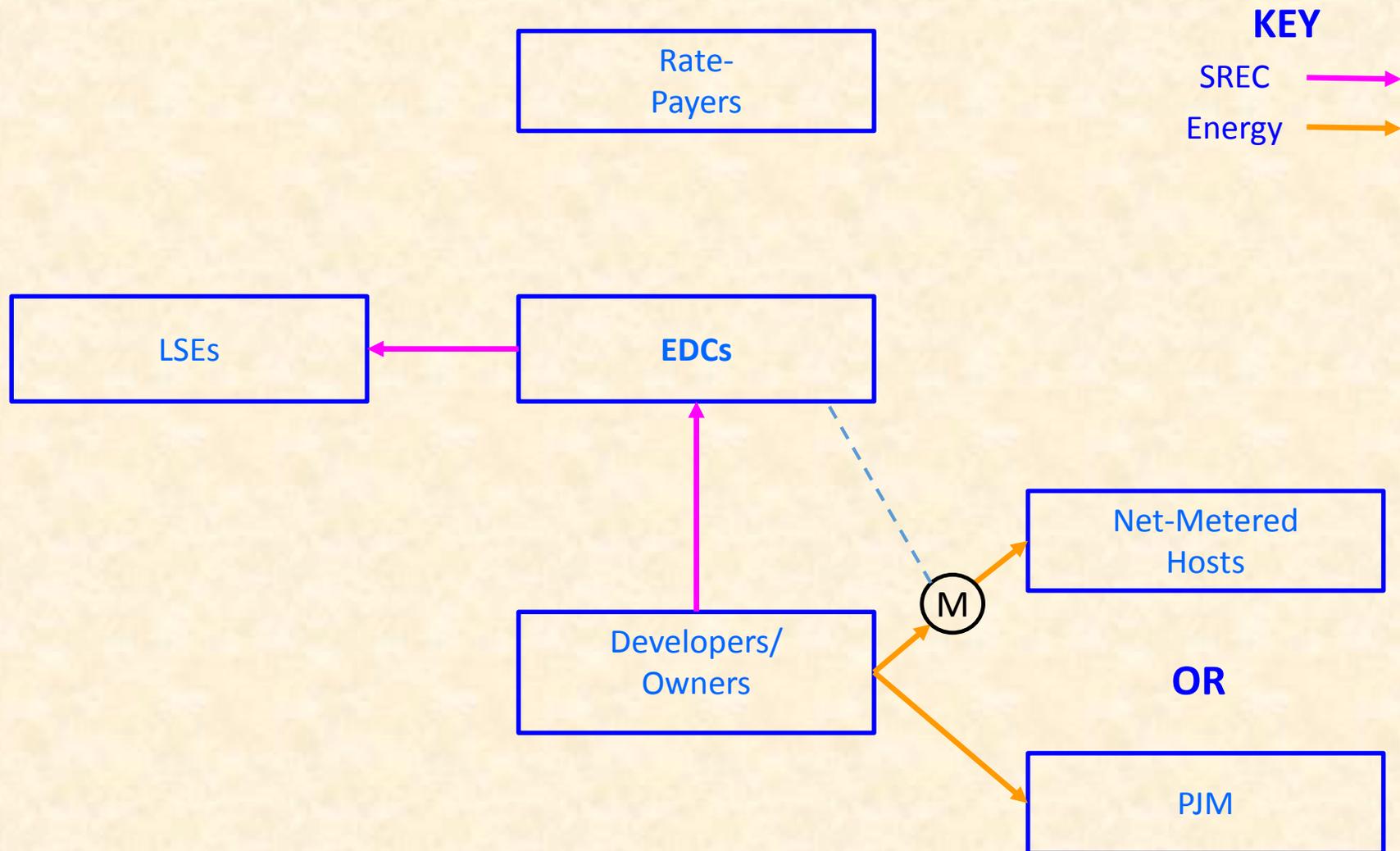
ALTERNATIVES MATRIX

FUNDING MECHANISM ALTERNATIVES - TABLE OF FEATURES

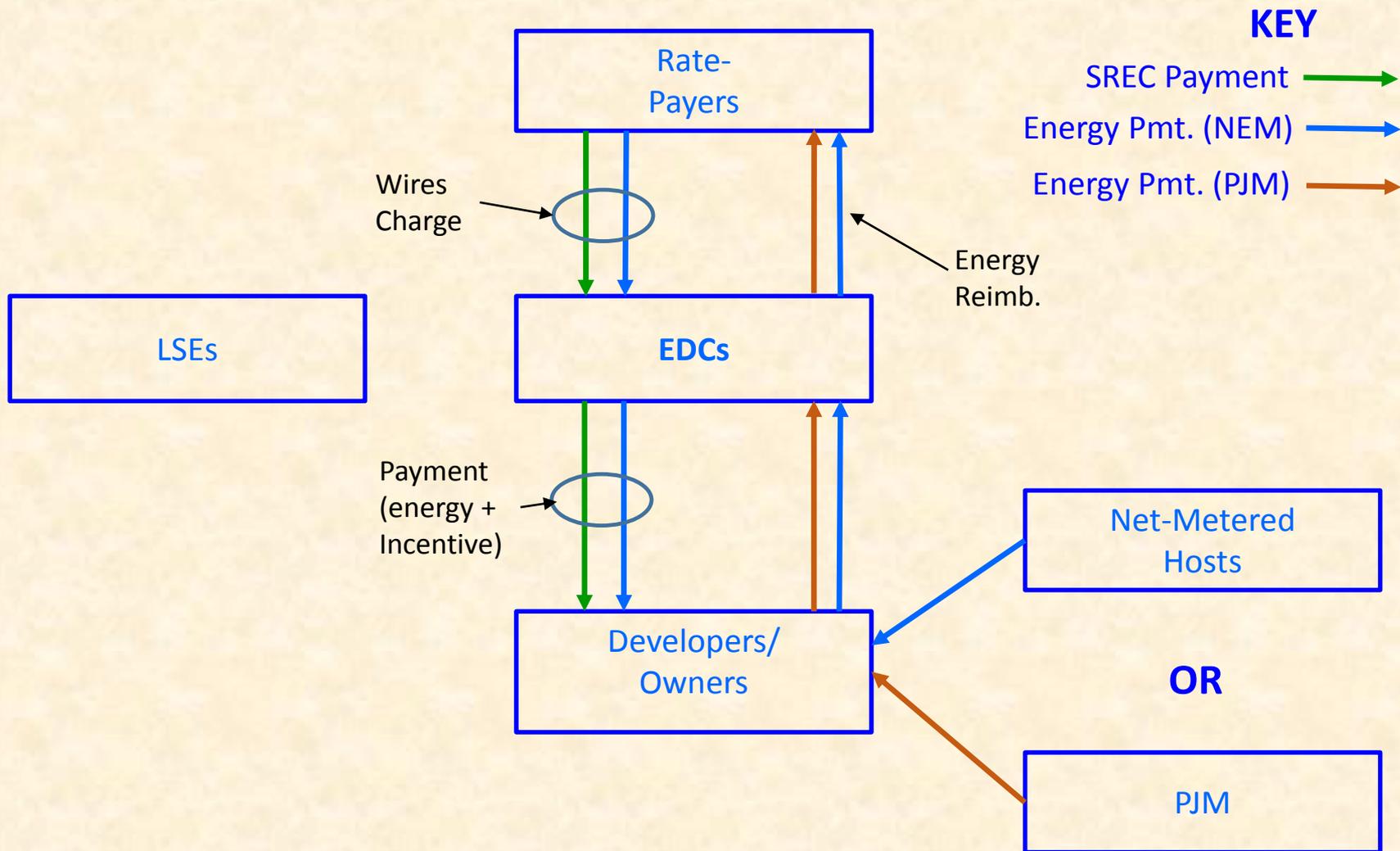
FEATURE	ALTERNATIVE 1	ALTERNATIVE 1a*	ALTERNATIVE 2	ALTERNATIVE 3
Determination of Total Compensation	20-year leveled, board order for each approved project	20-year leveled, board order for each approved project	20-year leveled, board order for each approved project	20-year leveled, board order for each approved project
Payment Agent	EDCs	EDCs	EDCs	Suppliers
Flow of Energy	Generator to NEM customer or generator to PJM	Generator to NEM customer or generator to PJM	Generator to NEM customer or generator to PJM	Generator to NEM customer or generator to PJM
Flow of SRECs - step 1	Generators transfer SRECs to EDCs	Generators transfer SRECs to EDCs	Generators transfer SRECs to EDCs	Generators transfer SRECs to suppliers
Flow of SRECs - step 2	EDCs transfer to suppliers	EDCs transfer to suppliers	EDCs transfer to suppliers	N/A
Payment to Generator	EDCs pay total (energy + incentive) to generator	EDCs pay total (energy + incentive) to generator	EDCs subtract energy value from total, then pay just the incentive to generators	Suppliers subtract energy value from total, then pay just the incentive to generators
Generator partial reimbursement	Generator reimburses energy revenue to EDC	Generator reimburses energy revenue to EDC for grid revenue; EDCs bill net metered hosts for energy reimbursement directly ("buy all-sell all")	N/A	N/A
Recovery of funds from ratepayers	EDCs recover energy + incentive funds through non-bypassable wires charge	EDCs recover energy + incentive funds through non-bypassable wires charge	EDCs recover incentive funds through non-bypassable wires charge	Suppliers recover funds through their energy rates
Partial reimbursement to ratepayers	EDCs reimburse ratepayers for energy value recovered from generators	EDCs reimburse ratepayers for energy value recovered from generators	N/A	N/A

* Alternative 1a is not discussed in detail in MSSIA's comments. It is a sub-alternative of Alternative 1 in which the energy revenue reimbursement in the case of net-metered projects is accomplished through a "by all-sell all" structure. In this version the EDC adds the solar system output meter reading to the customer bill, thus getting energy reimbursement directly instead of through the generator.

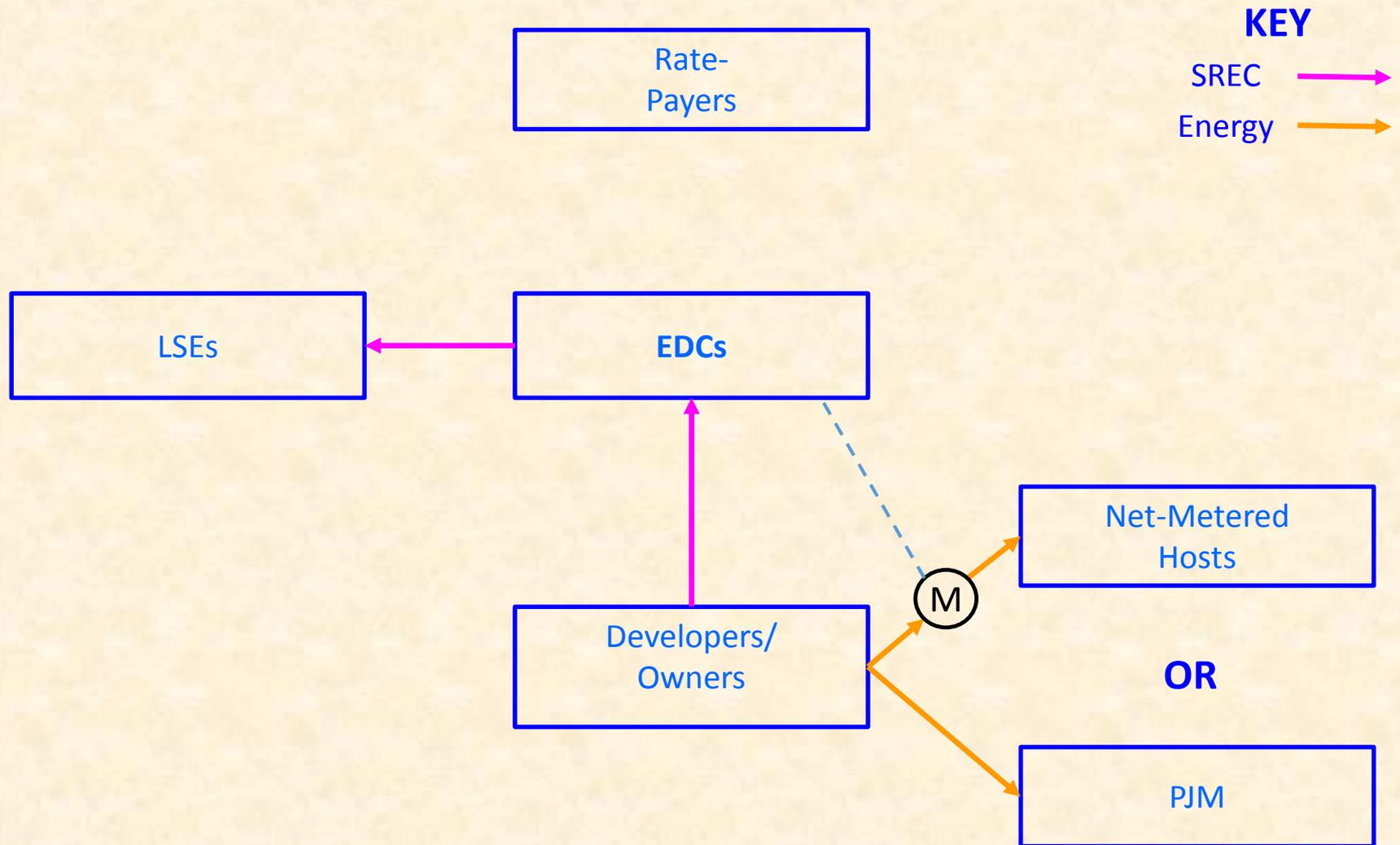
**MSEIA DRAFT – DIAGRAM OF 20-YR. SREC II FUNDING MECHANISM
FLOW OF ENERGY AND SRECs – ALTERNATIVE 1**



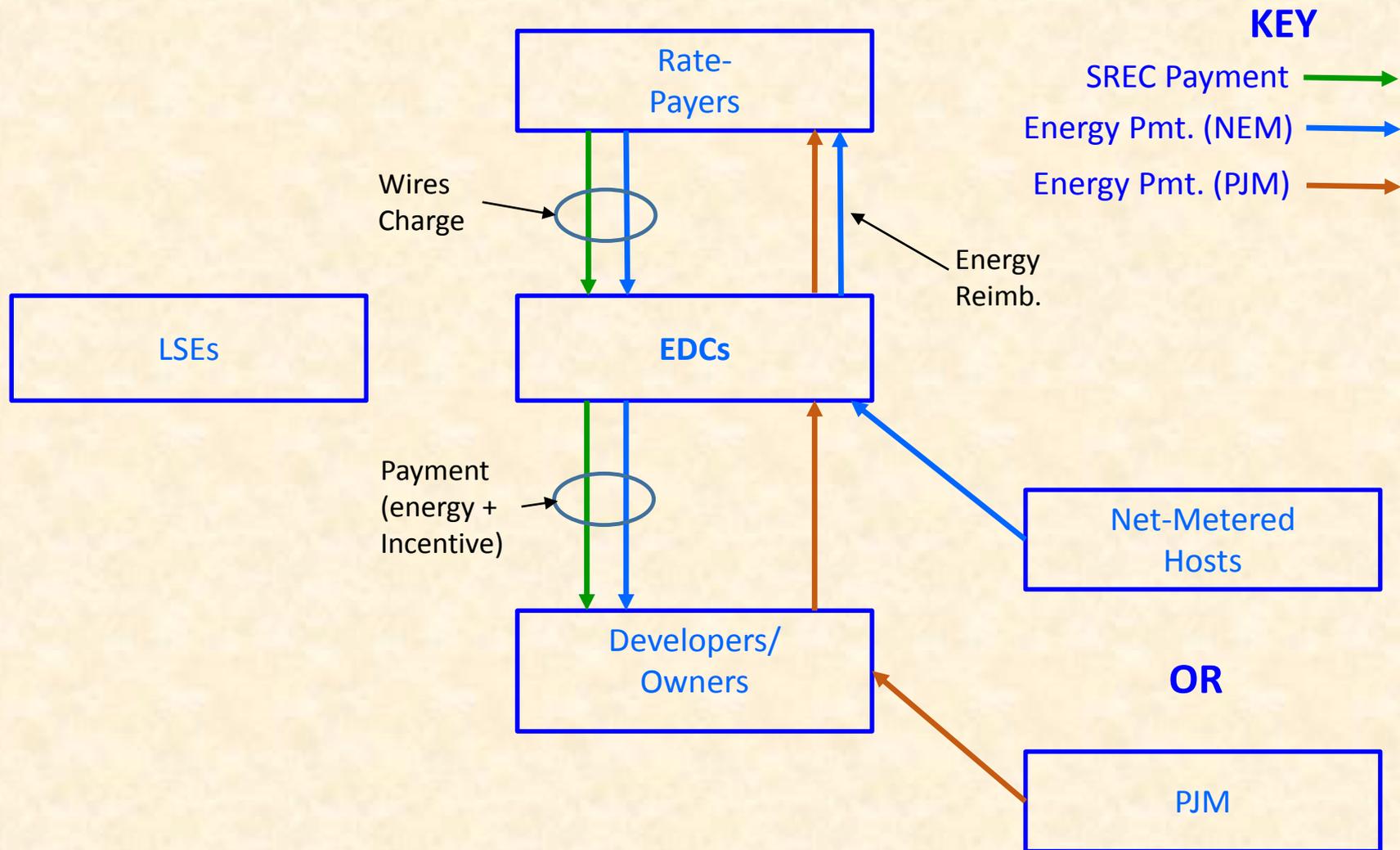
**MSEIA DRAFT – DIAGRAM OF 20-YR. SREC II FUNDING MECHANISM
FLOW OF FUNDS – ALTERNATIVE 1**



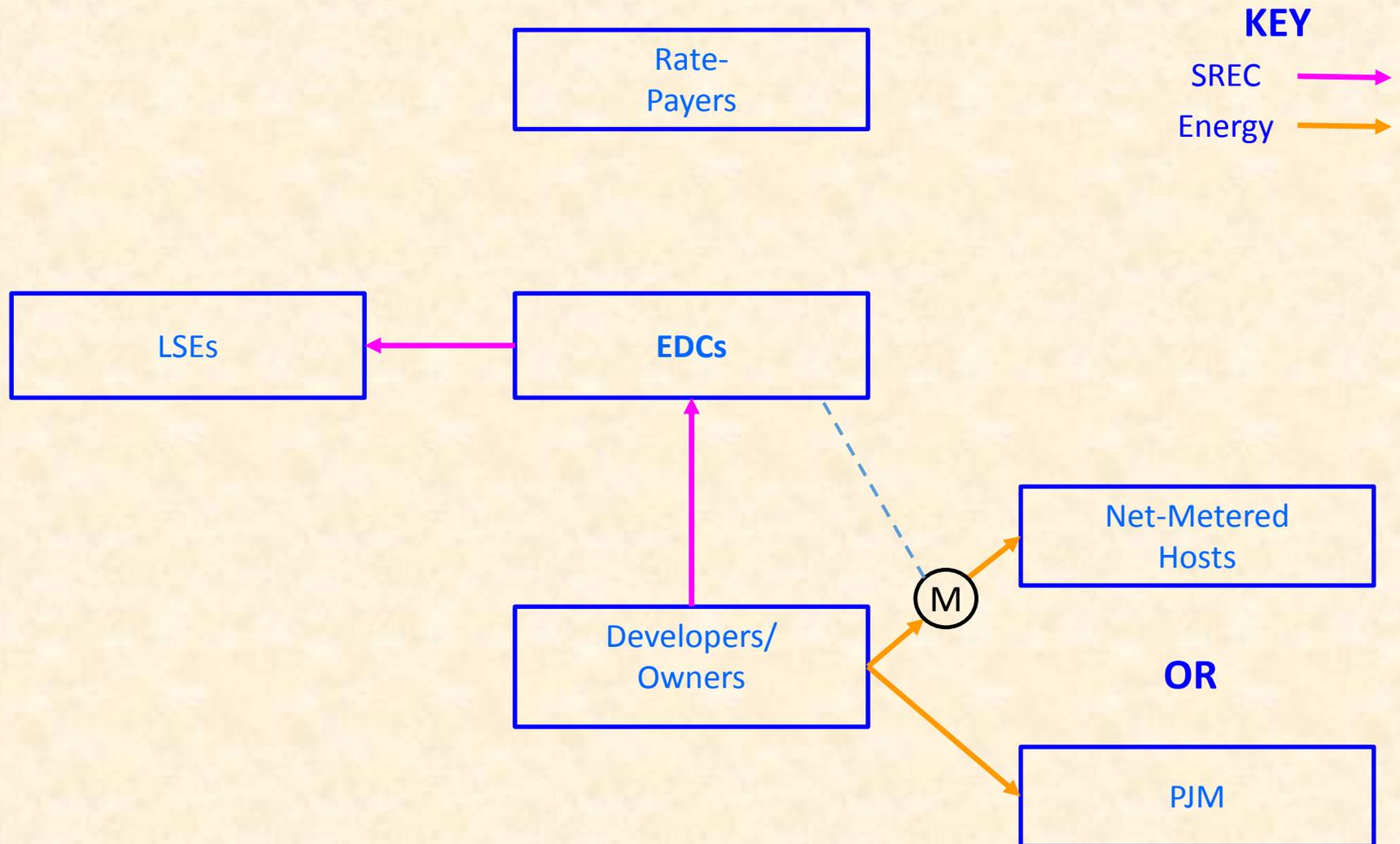
**MSEIA DRAFT – DIAGRAM OF 20-YR. SREC II FUNDING MECHANISM
FLOW OF ENERGY AND SRECs – ALTERNATIVE 1a**



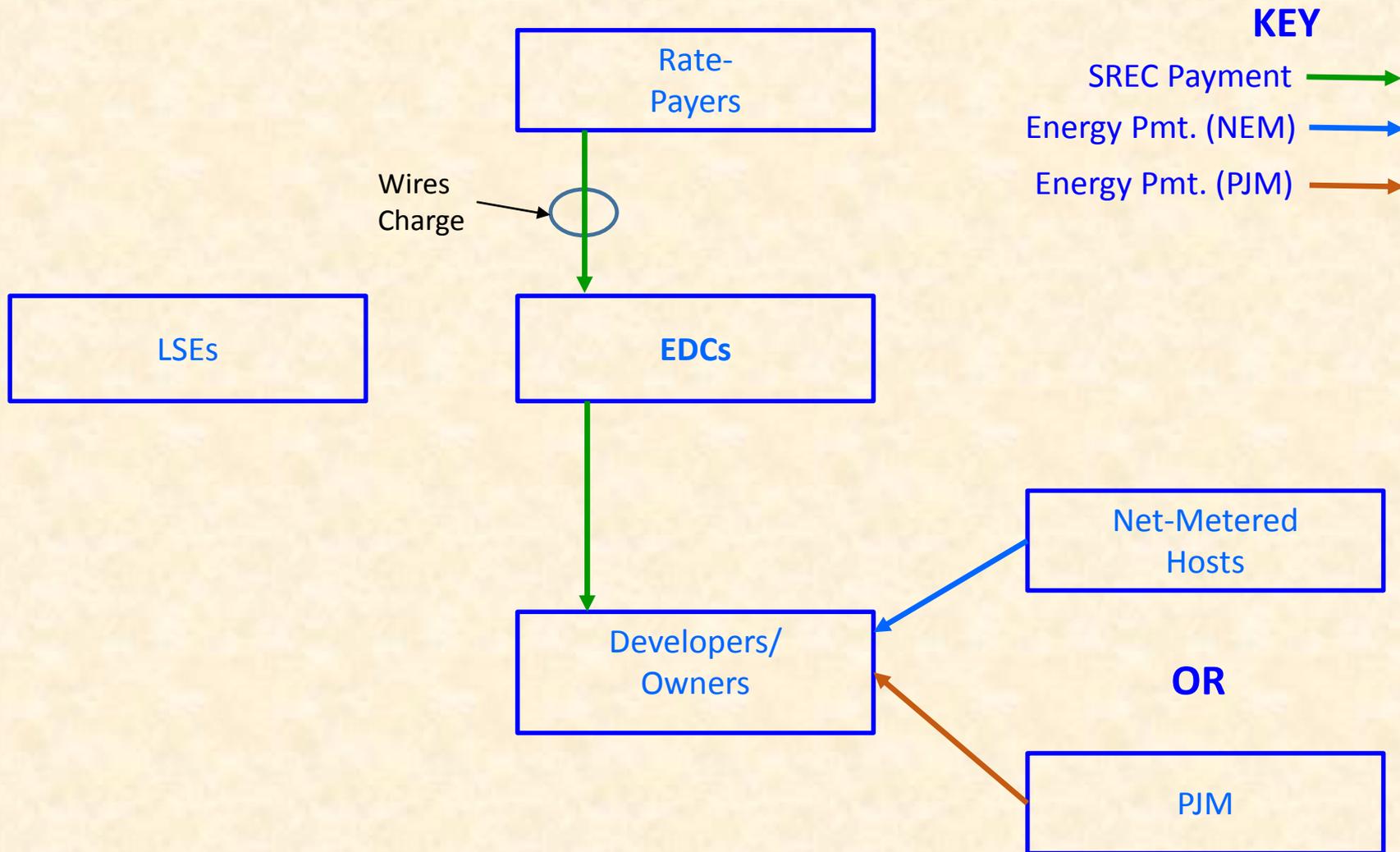
**MSEIA DRAFT – DIAGRAM OF 20-YR. SREC II FUNDING MECHANISM
FLOW OF FUNDS – ALTERNATIVE 1a**



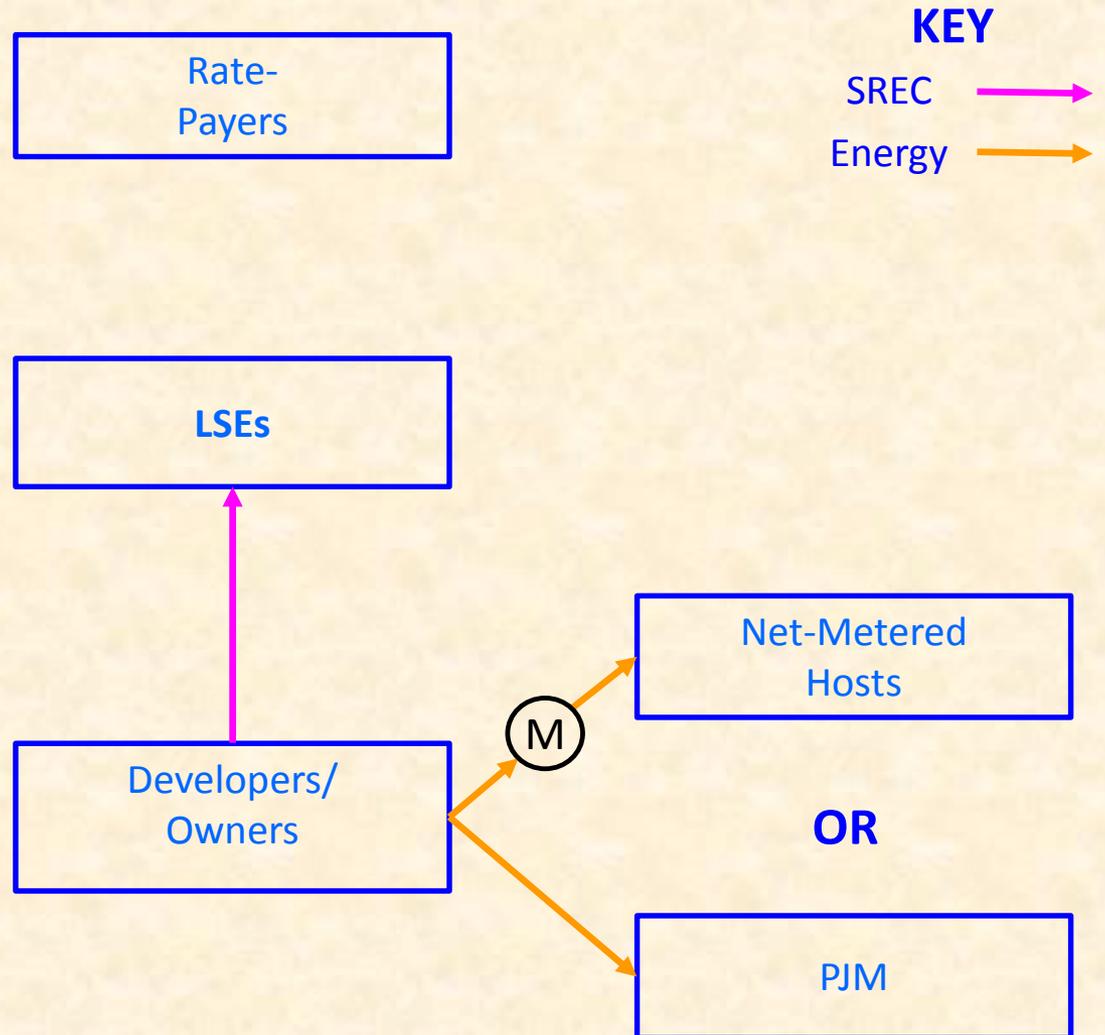
**MSEIA DRAFT – DIAGRAM OF 20-YR. SREC II FUNDING MECHANISM
FLOW OF ENERGY AND SRECs – ALTERNATIVE 3**



**MSEIA DRAFT – DIAGRAM OF 20-YR. SREC II FUNDING MECHANISM
FLOW OF FUNDS – ALTERNATIVE 3**



**MSEIA DRAFT – DIAGRAM OF 20-YR. SREC II FUNDING MECHANISM
FLOW OF ENERGY AND SRECs – ALTERNATIVE 3**



**MSEIA DRAFT – DIAGRAM OF 20-YR. SREC II FUNDING MECHANISM
FLOW OF FUNDS – ALTERNATIVE 3**

